

## Personnel Department

### 2011 WMBE Utilization Plan

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#### Background

The Personnel Department (Personnel) provides human resource, employee and labor relations, and benefits functions for the City. Personnel manages these functions through staffing which makes up about 94 percent of the Personnel budget. The functions that support consultant contracting opportunities and purchases include less than three percent of the budget. Personnel does not manage capital improvement programs.

Of the \$11.5M allocated in 2011 to Personnel, less than three percent of the budget is available for consultant services and purchases. As opportunities arise for partnerships with other City departments and agencies, Personnel manages projects that increase the funding for consultant contracting opportunities. In the recent past, Personnel's spending included projects funded by other departments. Currently, Personnel is not aware of any partnerships with other City departments to increase the funding available for consultant services or purchases in 2011.

The historical spending is as follows:

#### Consultant Contracts

Year	Total Spent	Percent Spent on WMBE
2010	\$1,280,651*	3%
2009	\$979,000*	8%**
2008	\$919,000	13%
2007	\$1,312,000	9%
2006	\$1,492,000	3%

\*Total spent includes projects funded by another department which is outside of normal business for Personnel. Most of the spending on those contracts is not included as the vendor registered as a WMBE later in the year. Of the total spent, Personnel had less than \$700K through its budget for consultant services in 2010.

\*\*The percent spent on WMBE if the consultant had registered earlier would have been 25 percent.

#### Purchases

Year	Total Spent	Percent Spent on WMBE
2010*	\$98,000	30%
2009	\$7,000	57%
2008	\$271,000	12%
2007	\$714,000	8%
2006	\$222,000	20%

\*2010 payments were not inputted to correctly reflect the amount spent on purchases through WMBEs. Corrections have been

made for 2011 as of March 2011.

Personnel's contracting opportunities are few and the funding for traditional contracting opportunities has been reduced. The two traditional contracting areas where Personnel spends the most of the budget and has the most challenge with engaging WMBEs is the Citywide benefits and uniform testing programs. Personnel's book of business in these areas is strictly governed by regulations requiring contractors to have national experience and access to national data and contractors with the capacity to limit the City's exposure to liability, such as Healthcare. This year, Personnel will look for new ways to reach out to WMBEs and spend concerted time thinking about our spending in other areas or differently to help us reach our 2011 goals.

## 2011 Goals

Personnel is committed to increasing opportunities to reach out to WMBEs through following methods:

### Strategy:

- ✓ Through its contracting process and documents, strongly suggest that firms proposing their services consider how they may subcontract with WMBEs.
- ✓ Seek information from the VCR and the consultant roster to allow program staff to contact consultants in areas the department seeks services. Make contacts through letters of interest to consultants, with a request to update their information on Contracting's website and to notify the Personnel Department if the firm is interested in an upcoming opportunity. Our action may be measured by whether the department makes direct contact with potential and interested WMBEs.
- ✓ Once the Personnel Department receives responses from WMBEs, if they are not interested or cannot respond to the opportunity, our department staff will request from the responding WMBE if they are aware of other WMBEs who may be available and have the capacity to perform the work. This action may be measured by whether the department requests contacts for other WMBEs from responding WMBEs.
- ✓ Finally, the Personnel Department will contact the small business associations and other networking organizations to receive names of WMBEs who provide services that the Personnel Department seeks.

Personnel's goal for 2011 purchasing is 57 percent and for consultant contracting is eight percent based on 2009 WMBE utilization report. Due to the level of data discrepancies from 2010, Personnel believes the 2011 goals should be based on a full year's of data. Personnel will aspire to reach this goal but recognizes a large portion of Personnel's consultant contract spending is for employee health administration brokering services. It has been Personnel's experience that WMBEs are not available to manage a portfolio the size of the City. The firms available to perform this work are national firms with resources across the globe. To aggressively meet the 2011 goals, Personnel will do the following:

- ✓ Award small contracts to WMBEs that have proven track record through previous services to Personnel. This approach reduces Personnel's administrative costs associated with consultant solicitation and

selection. Seventy-five percent of the City-wide technical skills training opportunities will be provided by WMBE firms.

- ✓ Require all managers with budgets for consultant services to review the City's VCR and proactively contact WMBEs from the register to discuss Personnel's line of business.
- ✓ The default supplier for purchases will be a WMBE, excluding the mandatory-use blanket contracts awarded by DEA purchasing and staff must provide reasons for purchasing from a non-WMBE.
- ✓ If a purchase arises that cannot be found through the City's blanket vendor contract, Personnel will seek DEA's assistance with finding a WMBE to meet our purchasing and contracting needs.
- ✓ Use WMBE vendors for credit card purchases for travel, catering, and other activities even though these expenses are not reflected in the City's financial system as WMBE spending. By paying via credit card, the vendors receive the compensation

Continue to do the following:

- ✓ Place notices of our contracting opportunities in community papers, magazines and electronic publications in advance of a request for proposals and qualifications. These notices will include staff contact information so that WMBEs may contact the department to give and receive information about their availability and potential scope of service.
- ✓ The department will also send notices about the upcoming opportunity directly to WMBEs registered with the City and who have listed themselves as providers of the services Personnel seeks.

In addition:

- ✓ When an opportunity arises, the business owner will send alerts to WMBE's outlining the goods and services we know in advance we will be contracting for during the year.
- ✓ The Personnel Department RSJI Change Team will use current reports showing all purchases/contracts/vendors to gauge progress on WMBE outreach and utilization each quarter. This information will also be provided to Personnel's management team.
- ✓ The Personnel Department RSJI Change Team will meet with employee affinity groups to discuss WMBE outreach and strategy ideas.
- ✓ If a WMBE firm is not already on the City's VCR, the project manager will assist the firm through the signup process and follow up with the vendor.

## 2011 Special Focus

Personnel is currently providing human resources (HR) training to a group of staff within the department. By providing this training, staff become aware of opportunities for contracting opportunities within the HR field as this training provides critical thinking tools. In addition to this training, Personnel can begin focusing on the vendors who provide medical services to City employees without contracts, such as massage therapy. The City currently receives tax identification information from these vendors but we do not receive or communicate information about the enterprise status of these vendors.

Personnel could track our progress on this project by creating measures on the level of responsiveness and the status data received from vendors. This idea requires discussions with DFAS and the department management to vet the best implementation approach.

## Department Training

Personnel's strategy to training involves formal presentations and informal exploratory discussions with staff who have contracting opportunities. The strategies include:

- ✓ Presentation to the leadership team about the WMBE goals and how to access them through consultant contracting opportunities and the City's blanket WMBE contracts.
- ✓ Discussion with Personnel's executive team about the WMBE goals and how to provide ongoing support to managers who have contracting needs.
- ✓ Provide on-going reports to managers and train them on how to retrieve, review and understand the WMBE utilization reports.
- ✓ As purchases are requested, excluding mandatory use blanket contracts determined by DEA, Financial Services Division will provide a list of potential WMBEs and work with the Personnel's RSJI team to create a list if currently not available.
- ✓ Insert into the current contracting process inclusion plans when appropriate for the Personnel Director's review before approval is given.

## Outreach Events

Personnel will generate outreach events through formal and informal approaches, specifically through the following venues:

- ✓ Attend City contracting forums, trade shows, job fairs, etc.
- ✓ Engage with other departments to receive and provide referrals for contracting opportunities.
- ✓ Request support from the Contracting Equity Interdepartmental Team and DFAS on initiatives and efforts that may be implemented within Personnel.
- ✓ Generate enthusiasm and improve

knowledge by discussing contracting opportunities with WMBEs on a regular basis.

## Outreach Plan

Personnel's outreach plan includes an aggressive approach requiring pro-active contacts to WMBEs and directives to staff to do the following on all consultant contracts:

- ✓ Review all past contracts expiring over the next six months and create specific strategies for seeking WMBEs.
- ✓ Conduct research by contacting association leaders, search on the web, and individually meet with WMBEs to provide information to them about doing business with the City.
- ✓ Determine if the contracting opportunity may be divided into more manageable pieces to award to WMBEs.
- ✓ Require responses from potential bidders through formal solicitation how they have actively sought partnerships with WMBEs.
- ✓ Require at least two of three contacts for a consultant contract are WMBEs for opportunities requiring informal solicitation.

Over the past four years, Personnel has aggressively reached out to WMBEs and will continue the efforts from the past which include:

- ✓ If a consultant contract or purchase need presents itself, Personnel will provide a notice of opportunity in the communities where the WMBEs are likely to see the notice for goods and services. Also, the WMBEs will have an opportunity to talk with the program manager in advance of opportunities to understand the requested work.
- ✓ Personnel will search the VCR for WMBEs who list themselves as a provider for items the department must procure, in addition to sending the notices to those WMBEs already registered with the City.
- ✓ Require managers to receive approval to proceed with a contracting opportunity before an RFP is drafted. The program manager, along with the department's Race and Social Justice Change Team, will determine ways to reach out to the specific WMBEs.
- ✓ Continue to encourage WMBE consultants to apply on-line at any time for the Consultant Roster Program and VCR. After a successful working experience with a WMBE, program managers will provide information to the WMBE so that they can register with the City if they have not already done so.

